

Bill to End Congressional Control of D.C. Budget Introduced - 1/30/07

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January 30, 2007

Washington, DC-Congresswoman Eleanor Holmes Norton (D-DC) and Oversight and Government Reform Committee Ranking Member Tom Davis (R-VA) today introduced the District of Columbia Budget Autonomy Act of 2007 to allow the city to enact its own local budget without annual congressional oversight. "Next to H.R. 328, the D.C. Fair and Equal House Voting Rights Act, this bill is the most important to the District of Columbia that will come before Congress this session," Norton said. Short of statehood, budget autonomy is regarded as the single most important right of a jurisdiction to govern itself. Norton will seek an early hearing that will include Mayor Adrian Fenty and Council Chair Vincent Gray. The bill is part of Norton's "Free and Equal D.C. Series" to give the city control over its core functions without congressional intrusion and to transfer provisions in the Home Rule Act to the District to enable the city to better manage its finances and operations. One bill in the series, H.R. 392, authorizing specially designed circulating quarters for D.C. and the territories, already has passed the House.

Last year Norton got Congress to approve her Mid-year Budget Autonomy bill, offering the first freedom from the federal appropriations process, the most important structural change for the city since passage of the Home Rule Act 32 years ago. The District can now spend its local funds without congressional approval, instead of returning mid-year as part of the federal appropriations supplemental. Full budget autonomy would take the city a giant step further, permanently freeing the District from major delays and floor fights about national matters unrelated to the city's budget year after year. Among other hardships, the delays and uncertainty of the congressional process affects the city's bond rating, reduces the accuracy of revenue forecasts and critical financial planning, and causes countless operational problems for city agencies. For example, delays one year forced the D.C. Public Schools to spend at the previous year's budget levels under a congressional continuing resolution and led to textbooks being returned to publishers under contract provisions; reduction in the number of buses under the bus lease contract, creating longer rides for disabled children; unpaid tuition payments for special education students; and cancellation of school supplies, among other severe operational problems.

Norton's full statement of introduction follows.

Next to H.R. 328, the bill to give the District its first full vote in the House, the bill we introduce today is the most important bill to the District of Columbia that will come before Congress this session. The District of Columbia Budget Autonomy Act that Oversight and Government Reform Ranking Member Tom Davis and I introduce would give the District the right to enact its local budget without annual congressional oversight. The original Senate version of the Home Rule Act provided for budget autonomy, and 32 years of unnecessary difficulties and delay occasioned by the extra layer of oversight offer ample evidence that the time is at hand for Congress to permit the city to enact its local budget and move forward immediately to operate and manage the city.

This is the most important of the bills to be introduced as part of the "Free and Equal D.C." series of bills designed to accomplish two goals: 1) to give the city control over its core functions, such as budget, legislation and criminal justice; and 2) to transfer to the District the Home Rule Act provisions that prescribe the city's structure and others that make it necessary to come to Congress for changes, as well as many other provisions that have been included in the Act over the years. Budget Autonomy is most important because the ability to enact a budget and spend its own taxpayer funds as authorized is central to a jurisdiction's ability to operate and manage a functioning government. For that reason, the budget process is essential to the right to self government. By definition, Congress will retain jurisdiction over the District of Columbia under Article I, Section 8 of the Constitution. Since, therefore, Congress could in any case affect changes in the District's budget and laws at will, it is unnecessary to require lengthy repetition of the District's budget process here. The redundancy of the congressional appropriations process is its most striking feature, considering that few if any

changes in the budget itself are made.

I am gratified that Congress itself has moved toward the position embodied in this bill. The congressional experience with the District's budget has matured, and year after year, Congress has made no changes. At the same time, there has been increasing recognition of the hardship and delays that the annual appropriations process causes. As a result, Congress has already begun freeing the city from the congressional appropriations network. Last year, Congress approved the Mid-year Budget Autonomy bill, offering the first freedom from the federal appropriations process, the most important structural change for the city since passage of the Home Rule Act 32 years ago. The District can now spend its local funds annually without congressional approval, instead of returning mid-year to become a part of the federal supplemental appropriation in order to spend funds collected since the annual appropriations bill. Moreover during the past few years, appropriators have responded to our concern about the hardships resulting from delays in enacting the D.C. appropriation. I appreciate the agreement that has allowed the local D.C. budget to be in the first continuing resolution, permitting the city to spend its local funds at the next year's level. This approach has ended the lengthy processes that began years before I was elected, whereby the D.C. budget was delayed for floor fights about local policy and laws unrelated to the budget.

I have long argued that budget autonomy would benefit the city financially and operationally without withdrawing congressional jurisdiction. Only statehood would completely eliminate congressional power over the budget, but that option is not available at this time because the Mayor and City Council turned over the costs for some state functions carried by the city to the federal government in 1997. However, permitting the local budget to go into effect on time benefits the District and the Congress alike. For the city, a timely budget would: eliminate the uncertainty of the congressional process that in turn affects the city's bond rating and adds unnecessary interest for local taxpayers to pick up; significantly increase the District's ability to make accurate revenue forecasts; and reduce the countless operational problems, large and small, that result when the city cannot proceed on budget on time. Among the many examples, one particularly comes to mind that resulted when the D.C. budget was enacted five months late. Despite significant cuts in most functions, the city had increased the budget of the D.C. Public Schools (DCPS), but DCPS was forced to spend at the prior year's levels under a Continuing Resolution without the benefit of its urgently needed increase. As a result, for example, textbooks had to be returned to publishers under contract provisions; school supplies were returned; school buses under the bus lease contract were reduced, creating longer rides for disabled children; and tuition payments for special education students went unpaid.

Leaving its local budget to the District also would bring benefits to Congress. The D.C. budget typically has had to come to the floor repeatedly before it passes because of attachments. Members then complain about the time and effort spent on the smallest appropriation affecting no other members. No budget autonomy bill can eliminate the possibility of attachments because there are countless ways to attach riders, but our bill reduces the likelihood that they will hold the city's local budget hostage and sometimes the appropriations process itself.

Members of Congress were sent here to do the business of the nation. They have no reason to be interested in or to become knowledgeable about the many complicated provisions of the local budget of a single city. In good times and in bad, the House and Senate pass the District's budget as is. Our bill takes the Congress in the direction it is moving based on its own experience and completes the process. Three decades of congressional interference into the vital right to self government should end this year and end first with budget autonomy for the District of Columbia.